

TROSIFOL®

PRESS RELEASE

TROSIFOL officially welcomed to the worldwide Kuraray family

In an official Opening Ceremony in Troisdorf on 21st January, employees, customers and suppliers of TROSIFOL, German Kuraray Specialities Europe GmbH (KSE, formerly Clariant) and the Japanese group company Kuraray Co. Ltd. celebrated the arrival of the new colleagues from Troisdorf (Germany) in the internationally operating Kuraray Group.

In a synthesis of a European (or, to be more precise, Rhenish) and Japanese ceremony, the members of both cultures also got to know each other personally. Yasuaki Wakui, President of Kuraray Co. Ltd. (Tokyo, Japan), explains the underlying purpose of a Japanese Opening Ceremony: “The ceremony is practically the starter’s gun for good cooperation and a promising future.” The welcome addresses and speeches are traditionally followed by the celebration of a “Taru Sake Wari”. The lid of a cask of sake, Japanese rice wine, is cracked open together and the sake is drunk. “We drink the same sake from the same cask. This means that we have good relations. We are united in our wish that this start will yield good results,” declares Dr. Gerd Lepper, KSE President, explaining this Japanese tradition to the Germans present.

With the approval of the responsible competition authority, TROSIFOL officially joined the Kuraray Group at the beginning of 2005. In November last year, Rütgers AG, the Essen-based wholly owned subsidiary of the energy and chemicals group RAG

Aktiengesellschaft, and KSE signed an agreement for the sale of the TROSIFOL activities of HT TROPLAST AG, Troisdorf.

KSE is the world's leading producer of polyvinyl alcohols, one of the initial products for polyvinyl butyral resins, the second large business sector and raw material for TROSIFOL PVB film. KSE has enjoyed good relations with TROSIFOL for decades as a supplier of this resin.

The Kuraray Group has a workforce of about 7,000 employees worldwide, mainly at production locations in Japan, Singapore and Europe. In 2003, the Kuraray Group achieved total sales of about US \$3.1 billion.

By tightening its network of research and development within this new, extended value-added chain from the raw material to the end product, Kuraray anticipates major synergies in the optimization of existing products and the development of new ones. Even more important, however, is the strengthening of its market presence on the European market.

Kuraray's Japanese business strategy is built on the pillars of "long-term growth" and the expansion of "profitable business sectors". "Research and development" is another focus of the assertive and forward-looking approach of this successful Group with its headquarters in Tokyo, Japan. In its global strategy, it aims to expand foreign business outside Japan, with its main activities concentrated on the target markets of Europe, the USA and Asia. For instance, KSE's production capacity at its Frankfurt site is being increased from its roughly 50,000 metric tons in 2004 by a further 20,000 tons in the current year.

For this reason, it is being stressed – particularly with the TROSIFOL workforce in Troisdorf in mind – that the emphasis after the acquisition will not be on restructuring. In fact, the existing TROSIFOL sites, and particularly production in Troisdorf and Nizhny Novgorod, Russia, will be strengthened and expanded. There is also a commitment to the further training of young people. Dr. Gerd Lepper, President of Kuraray Specialities Europe GmbH, comments: "HT TROPLAST AG's TROSIFOL business is an outstanding investment for us, enabling us to extend our value-added chain. We want to expand this business in the medium term, and the good,

longstanding relations between our companies (KSE and TROSIFOL) will be very useful in this."

For President Yasuaki Wakui of Group Management in Japan, the TROSIFOL acquisition is another step towards globalization and the strategic reinforcement of activities in Europe.

Karl-Heinz Spiess, head of the TROSIFOL Division, is also optimistic: "With its commitment to long-term growth, the Kuraray Group is supporting our efforts in the marketplace. TROSIFOL clearly belongs to the Group's core business." For Jürgen Sturm, General Manager of TROWISTA, the Troisdorf Economic Development Corporation, the takeover by Kuraray will boost long-term prospects for the Troisdorf location: "A third of Troisdorf's employees still work in manufacturing. Plastics processing and metalworking have a high standing." From 1st January 2002 to 1st January 2004, Troisdorf recorded a loss of 1,033 employees paying social insurance contributions, although the population has been rising. "Without new jobs, the increase in population will stretch us beyond our limits. The trends in neighbouring towns are similar," Sturm adds.

This is where TROSIFOL is contributing positively by joining the Group and making a long-term commitment to the location and its prosperity.

The background to TROSIFOL

The raw material for all TROSIFOL films is polyvinyl butyral (PVB). PVB has been in use as an interlayer in laminated safety glass since the middle of the Thirties. With added plasticizers, PVB – a resin in powder form – becomes sufficiently elastic for use as a safety glass film. The experience gained from the processing of this raw material since 1953 is one of the main reasons for the technical sophistication of TROSIFOL today. Thanks to ongoing research and development, TROSIFOL has become Europe's leading manufacturer of films for structural glazing. Today TROSIFOL operates a worldwide distribution network comprising several subsidiaries, agents and warehouse sites, and markets its products in over 75 countries. Production is carried out at the parent plant in Troisdorf near Cologne, Germany, and in Nizhny Novgorod, Russia. Certified TROSIFOL is to ISO/TS 16949 and DIN EN ISO 9001:2000, the

brand is now also making a big impression on the automotive OEM market.

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